

Appendices

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Appendix A Cluster Focus Group and Meeting Participant List

Food & Agriculture Cluster

Glenn Hontz	Kaua`i Community College
Steven Kai	Pioneer Hi-Bred
Derek Kawakami	Big Save
Owen Moe	Gay & Robinson
Roy Oyama	Kauai Farm Bureau
Mark Oyama	Contemporary Flavors
Dave Pratt	Grove Farm
Bill Spitz	Kauai Office of Economic Development
Christopher Tang	Marriott Catering Department

Health & Wellness

(meeting)	Mary Lou Barela	Hale Opio
	Lisa Chun	Kauai Osteopathic, Inc
	Lee A. Evslin	Hawai`i Pacific Health-Wilcox Health
	Chris Fujita	Poipu Spa and Fitness
	Marilyn Harris	Hawai`i Health System Corp., Mahelona
	Tracy Hirano	State Department of Labor, Workforce Division
	D.Q. Jackson	Nurse, Wilcox Hospital
	Dennis Sakaguchi	Hawaii Capital Resources (via mail)
	Diana Shaw	Kauai Medical Clinic
	Toni Lilgengren	Massage therapist

Arts/Culture/Recreation

Development	Nalani Brun	County Office of Economic
	Jose Bulatao	citizen
	Dennis Chun	Kaua`i Community College
	Judy Drosd	DBEDT, Arts, Culture & Entertainment (phone)
	Wade Ishikawa	Dept. of Land and Natural Resources
	LaFrance Kapaka-Arboleda	Office of Hawaiian Affairs
	Carol Lovell	Kauai Museum (phone)
	Janet Mayfield	National Tropical Botanical Gardens (phone)
	Roxanne MacDougall	Kauai Outdoor Adventure Partners (phone)
	Tommy Oi	DLNR
Margy Parker	Poipu Beach Resort Association (fax)	

Kamika Smith Smith's Tropical Paradise

High Technology

(Info Tech/Biotech/Life Sciences)

Stu Burley	Envisioneering
Tom Cooper	GD-AIS
Eric Inouye	County of Kauai
Steven Kai	Pioneer Hi-Bred
Eric Knutzen	County of Kauai
Rich Minero	Pacific Missile Range Facility
John Sydney Yamane	Hawai`i Link

Renewable Energy

Timothy Blume	Kaua`i Island Utility Cooperative
Joseph McCawley	Kaua`i Island Utility Cooperative
Representative Hermina Morita	Hawai`i State Legislature
Glenn Sato	County Office of Economic
Development	
Bob Shleser	Hawaii Agriculture Research Center
Skip Staats	EcoSoul, Inc
Michael Yamane	Kaua`i Island Utility Cooperative

Appendix B

Summary Notes Kaua`i CEDS Public Hearing

A public hearing on the CEDS was conducted on Tuesday, August 17, 2004 from 6:00 – 8:00 p.m. at the County of Kaua`i, Mo`ikeha Building. Those in attendance were presented a summary of the CEDS including cluster analysis and focus group findings. They were then asked to comment on the findings, cluster by cluster. Other comments on the CEDS were also requested and captured. The following are summary notes from the hearing.

Food & Agriculture

- Additional barriers include planning and zoning. Facilitators noted that these were included in the full list of barriers which would be included in the report.
- One participant felt that Agriculture & Food cluster should include a recommendation that more cooperatives be formed, with an emphasis on education and training of members, and recruitment of strong management for the cooperatives. The participant also recommended exploring different types of cooperatives such as marketing coops and buying coops. Facilitators noted that though coops were discussed in the Agriculture & Food focus group, focus group participants generally felt that cooperatives had been tried and failed on Kaua`i.
- One participant asked that wording referring to 'farmers markets' be modified so that it would be clear that there are already existing farmers markets and that the recommendation was to create a 'deluxe' farmers market with retail space.

Recreation

- One participant felt that the proposed recreational use of the Wailua Reservoir area would not be compatible with the UH agricultural experimentation station located nearby. Another participant noted that roads would need to be improved.
- One participant noted that the plan should recommend charging user fees for parks, with resulting revenue dedicated to park maintenance and improvements.
- One participant noted that better education on cultural sensitivity and environmental preservation are needed for visitors. Another participant noted that the same type of education is needed for local residents.
- A visitor industry representative also noted the following should be added to the list of challenges for the recreation cluster:

- crime, particular property crimes, auto thefts, and vandalism are a threat to visitor-related businesses including recreational tourism and cultural tourism
- cruise ships face major challenges – improvements in cruise ship management and service are needed if cruise ship visits are to be maintained
- A visitor industry representative also noted that the following should be added to the project list for the recreation cluster:
 - a study should be conducted of cruise ship impacts and related infrastructure improvements, e.g., harbor improvements needed to accommodate cruise ship and other uses
 - education of local residents, beginning in middle school, on the importance of the visitor industry to Kauaʻi's economy and the state as a whole

High Tech

Minor changes to wording were recommended.

Arts & Culture

Minor changes to wording were recommended.

Health & Wellness

Minor changes to wording were recommended.

Other Comments

- A participant asked why government was not included as a target cluster. Facilitators responded that employment growth in government is not driven by market forces, but rather by political forces which do not respond to the same kind of interventions (e.g., access to capital, marketing assistance, workforce development) as other industries. The focus of economic development is on enhancing the economic *competitiveness* of a region, and this requires focusing on non-government industries.
- A participant asked why the visitor industry was not included as a target cluster. Facilitators responded that while the visitor industry is a large employer, traditional mainstays of the industry group – hotels, motels, and related services – had relatively low wages and negative historical growth, according to the data. Because they were not growth industries and did not pay a living wage, the visitor industry, as a whole, was not selected as a target cluster. However, certain segments of the visitor industry – cultural tourism, recreational services, health tourism, and heritage tourism among them – do have growth potential. These segments of the visitor industry

- and their related infrastructure needs are captured in the discussion of other clusters.
- Two participants commented on the recommendation to 'develop affordable housing' that was common to several cluster focus groups. They noted that affordable housing development is a complex field with multiple funding streams and stakeholders. They emphasized that the County's affordable housing efforts should be coordinated with its economic development efforts, e.g., the CEDS recommendation and the County Consolidated Plan recommendations should be coordinated.

Recorded by:

James Koshiba
3Point Consulting

Appendix C

Economic Development Administration

Summary of EDA Programs & Requirements

Prepared by 3Point Consulting

I. GENERAL PURPOSE & PRIORITIES

A. EDA Mission

The Economic Development Administration (EDA) was established to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas of the United States. EDA assistance is available to **areas experiencing high unemployment, low income, or other severe economic distress.**

B. EDA Programs

- **Public Works Program** – grants to revitalize, expand, and upgrade physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment in distressed communities.
- **Economic Adjustment Assistance Program** – grants to design and implement strategies to adjust or bring about change to an economy experiencing or under threat of serious structural damage to the underlying economic base.
- **Technical Assistance Programs** --
 - a. *Local Technical Assistance Program* – grants to help fill knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.
 - b. *National Technical Assistance Program* supports research of leading edge, model economic development practices.
 - c. *University Center Program* is a partnership of federal government and academia that makes the varied and vast resources of universities available to the economic development community.
- **Partnership Planning programs** – grants to support local organizations (Economic Development Districts, Indian Tribes, and others) with long-term planning efforts and outreach to the economic development community on EDA's programs.
- **Trade Adjustment Assistance** uses a national network of 12 Trade Adjustment Assistance Centers to help manufacturers and producers affected by increased imports.

Note: The vast majority of grant moneys available from EDA are disbursed through the **Public Works, Economic Adjustment Assistance, and Technical Assistance Programs.** The discussion of eligibility and selection criteria to follow focuses on these three program areas.

C. Competitive Application & Priorities

Competitive applications will:

- Be **market based** and results driven
- Have **strong organizational leadership**
- Advance **productivity, innovation, and entrepreneurship**

- Look beyond the immediate economic horizon and **anticipate economic changes**
- **Diversify** the local and regional economy
- Demonstrate a high degree of **commitment from local leadership**
- Demonstrate cooperation between **public and private sectors**

Priority will be given to proposals which:

- Enhance **regional competitiveness** and **support long-term development** of the regional economy (e.g., core business infrastructure, specialized training programs),
- Reflect a **regional strategy** that encourages benchmarking, collaboration, and a formal structure to maintain consensus,
- Encourage **cluster development**
- Help communities plan and implement economic adjustment strategies in response to **sudden and severe economic dislocations**
- Support **technology-led economic development** and reflect importance of linking universities and industry in **technology transfer**, or
- Advance **community- and faith-based social entrepreneurship** in redevelopment strategies for areas of chronic economic distress.

Source: Bush Administration EDA Brochure

II. GENERAL GRANT ELIGIBILITY REQUIREMENTS

A. Eligible Recipients

Eligible recipients of a Public Works Program or Economic Adjustment Program grant include

1. A State, city or other political subdivision of a State
2. An institution of higher education or a consortium
3. An Economic Development District (see below)
4. An Indian tribe or a consortium of Indian tribes
5. A public or private nonprofit organization acting in cooperation with officials of a political subdivision of a State

B. Eligible Areas

Grants from the Public Works Program or the Economic Adjustment Program must enhance economic development in **areas that have one of the following**:

1. **Unemployment rate** that is, at least one 1% greater than the national average (most recent 24-month period for which data are available).
2. **Per capita income** that is 80% or less of the national average per capita income.
3. A **"special need,"** as determined by EDA, arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions, for example:
 - a. Substantial **outmigration** or population loss;
 - b. **Underemployment** (part-time employment of workers at less skilled tasks than their training or abilities permit);
 - c. Military **base closures** or defense contractor reductions-in-force;
 - d. **Natural disasters** or emergencies;
 - e. Extraordinary **depletion of natural resources**;
 - f. **Closure or restructuring of industrial firms**, essential to area economies; or
 - g. Destructive impacts of **foreign trade**.

C. Strategy (CEDS) Required

To be eligible for a project grant from either Public Works or Economic Adjustment Programs, the application must include or reference a CEDS or other strategy approved by EDA. A strategy is not required when a funding request is for strategy planning under the Economic Adjustment Program (see below).

A CEDS must be the result of a continuing economic development planning process, developed with broad-based and diverse community participation, and contain the following:

1. An **analysis of economic and community development problems and opportunities** including incorporation of any relevant material or suggestions from other government sponsored or supported plans;
2. **Background and history of the economic development situation of the area** with discussion including as appropriate, geography, population, labor force, resources, infrastructure, transportation systems, and the environment;
3. A discussion of **community participation** in the planning efforts;
4. A section setting forth **goals and objectives** for taking advantage of the opportunities of and solving the economic development problems of the area serviced;
5. A **plan of action, including suggested projects** to implement objectives and goals set forth in the strategy; and
6. **Performance measures** that will be used to evaluate whether and to what extent goals and objectives have been or are being met.

III. PROGRAM-SPECIFIC REQUIREMENTS

A. Public Works & Development Facilities Program

Program Purpose

The purpose of Public Works and Development Facilities grants is to help distressed communities revitalize and expand their physical and economic infrastructure and thereby provide support for the creation or retention of jobs. The primary focus is on the **creation or retention of long-term private sector jobs in communities experiencing significant economic distress.**

Allowable Use of Grant Funds

A grant may be made under the program for the following purposes:

1. Acquisition or development of land and improvements for use for a public works, public service or other type of development facility; or
2. Acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such a facility, including related machinery and equipment.

General Application Requirements

Each application for a grant under this program must:

1. Include evidence of area and applicant eligibility;
2. Include, or incorporate by reference, a CEDS or other EDA-approved strategy;
3. Identify the sources of the other funds that will make up the balance of the proposed project's financing. The application must show that such other funds are committed to the project and will be available as needed; and
4. Explain how the proposed project meets the criteria, below

Eligible Project Purposes

A grant may be made under the Public Works Program only when:

1. The project for which the grant is applied for will, directly or indirectly—
 - a. Improve the opportunities in the project area for the successful establishment or expansion of industrial or commercial plants or facilities;
 - b. Assist in the creation of additional long-term employment opportunities in the area; or
 - c. Primarily benefit the long-term unemployed and members of low-income families;
2. The project will fulfill a pressing need of the area, where the project is located; and
3. The area the project is in has a strategy and the project is consistent with the strategy.

Selection Criteria

Projects will be selected based on the extent to which they:

1. Assist in creating new or retaining existing private sector jobs and assist in the creation of additional long-term employment opportunities rather than merely transferring jobs from one area of the country to another;
2. Are supported by significant private sector investment;
3. Leverage or be a catalyst for the effective use of private, local government, State or other Federal funding that is available;
4. Will likely be started and completed in a timely fashion; and
5. If the project is located in an area with a stable economy and low distress, provide employment opportunities for residents of nearby areas of high distress.
6. Additional criteria set out in the NOFA.

B. Economic Adjustment Assistance Program

Program Purpose

The purpose of Economic Adjustment grants is to address the needs of communities experiencing adverse economic changes that occur suddenly or over time, such as those caused by: military base closures, disasters or emergencies (federally designated), international trade, fishery failures (federally designated), long-term deterioration, or loss of a major employer.

Grants help distressed communities compete economically by:

1. Helping organize and carry out a CEDS;
2. Expanding the capacity of public officials and economic development organizations to work effectively with businesses;
3. Assisting in overcoming major obstacles identified in the strategy;
4. Enabling communities to plan and coordinate the use of Federal and other resources available to support economic recovery or development;
5. Encouraging the development of innovative public/private approaches to economic development.

Allowable Uses of Grant Funds

Two kinds of grants are made under the program: (1) **strategy grants** may support developing or updating a strategy; (2) **implementation grants** support activities identified in a strategy.

Examples of implementation activities include:

1. Infrastructure improvements, such as site acquisition, site preparation, construction, rehabilitation and/or equipping of facilities;
2. Business or infrastructure financing by funding a local Revolving Loan Fund (RLF);
3. Market or industry research and analysis;
4. Technical assistance, including organizational development such as business networking, restructuring or improving the delivery of business services, or feasibility studies;
5. Public services;
6. Training (provided that it does not duplicate DOL, DOE or other Federal training), and
7. Other activities justified by the strategy which meet regulatory requirements.

General Application Requirements

Each application for a grant under this program must:

1. Include evidence of area and applicant eligibility;
2. Include, or incorporate by reference, a CEDS or other EDA-approved strategy (except that a CEDS is not required when applying for a planning grant);
3. Identify the sources of the other funds that will make up the balance of the proposed project's financing. The application must show that such other funds are committed to the project and will be available as needed; and
4. Explain how the proposed project meets other criteria, below

Eligible Project Purposes

Projects must help an area meet a "special need" (unemployment, per capita income, etc. described in "Eligible Areas," above) arising from severe unemployment or economic adjustment (severe changes in economic conditions). The area must have a CEDS and the project must be consistent with the CEDS (though this requirement does not apply to planning projects).

Selection Criteria

Projects will be selected based on the following criteria:

1. *For Strategy grants.* EDA will, as appropriate, review strategy grant applications for assurances that the proposed activities will conform to the CEDS requirements (see above).
2. *For Implementation Grants.* EDA will review implementation grant applications for the extent to which, the proposed project is identified as a necessary element of or consistent with the strategy.
3. *For Implementation Grants for Capitalizing a Revolving Loan Fund (RLF),* EDA will review:
 - a. The need for a new or expanded public financing tool to enhance other business assistance programs and services targeting economic sectors and/or locations described in the strategy;
 - b. The types of financing activities anticipated;
 - c. The capacity of the RLF organization to manage lending, create networks between the business community and other financial providers, and contribute to the adjustment strategy; and
 - d. Use of in-kind match. When in-kind match is included in a project, such match will be used for borrower technical assistance or general RLF administrative costs (e.g. the training of new RLF staff).
 - e. Additional criteria as set forth in the NOFA.

C. Technical Assistance Programs

Program Purpose

EDA oversees 3 technical assistance programs – National, Local and University Center – that promote economic development and alleviate under-employment and unemployment in distressed areas by funding research, analysis, University partnerships and model demonstration projects.

General Application Requirements

EDA selects local technical assistance projects for grant awards according to the general application evaluation criteria set forth in General Grant Eligibility Requirements (above) and the extent to which a project:

1. Strengthens the local capacity to undertake and promote effective economic development programs targeted to people and areas of distress;
2. Benefits distressed areas;
3. Helps to diversify distressed economies;
4. Demonstrates innovative approaches to stimulating economic development in distressed areas; and,
5. Is consistent with the CEDS or other strategy accepted by EDA for the area in which the project is located.

Technical assistance grantees generally must contribute 50 percent or more of the total project cost in cash or in-kind services. Lower percentages are possible.

Eligible Project Purposes

The programs provide funds to:

1. establish and operated University Centers which enlist the resources of their sponsoring institutions of higher education in promoting economic development;
2. support innovative economic development projects that can serve as a model for communities across the country;
3. disseminate information and studies of economic development issues of national significance; and
4. finance feasibility studies and other projects leading to local economic development.

University Center projects provide management and technical assistance services to communities, counties, districts, nonprofit development groups, and technology transfer assistance to firms. Many local technical assistance projects help to determine the economic feasibility of various local projects involving industrial, commercial, and other activities. National technical assistance projects fund reports on innovative economic development and the dissemination of economic development information.

Selection Criteria

EDA will invest in applicants who are entrepreneurial in spirit and in action. Potential investments will be analyzed using the following seven supplemental evaluation criteria of approximately equal weight:

1. extent that proposed investments are market-based;
2. extent that proposed investments are pro-active in nature and scope;
3. extent that proposed investments look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy;
4. likelihood that proposed investments maximize the attraction of private sector investments and would not otherwise come to fruition absent EDA's investment;
5. likelihood that proposed investments have a high probability of success;
6. likelihood that proposed investments result in an environment where high skill, high wage jobs are created;
7. and likelihood the proposed investments maximize Return on Taxpayer Investment.

**Appendix D
Priority Projects**

1. Food & Agriculture

Reference	Project	Summary	Estimated Cost	Estimated Jobs	Source of Matching Funds	Project Type
FA-1	Re-establish treatment, handling, and packing facility	Renovation and start-up costs of existing facility that will be used by all farmers to increase exports, including produce and value-added products.	\$150,000 – \$300,000	10-20	University of Hawai`i Farm Bureau	Public Works Technical Assistance
FA-2	Form a Food & Agriculture Cluster Working Group	Continue to build on the foundation established by the Food Industry Forum/Council to develop a data base, improve communications, develop business plan, and implement priority projects.	\$50,000-100,000	5-20	Foundations University of Hawai`i Farm Bureau State of Hawai`i	Technical Assistance
FA-3	Conduct market study	Data on world wide demand for produce will guide growers. Information will also steer and help forge relationships and partnerships with purchasers worldwide. The study would also address the issue of the need for accurate, continuous data and how to sustain information gathering efforts over time.	\$60,000	10-20	State of Hawai`i	Technical Assistance
FA-4	Create an entity to coordinate marketing and	Using the model of KTA, Alluvion, Kaua`i Food Bank and others, this entity	\$50,000	10-20	State of Hawaii	Technical Assistance

	distribution in collaboration with growers	would coordinate marketing and distribution for individual growers.				
Reference	Project	Summary	Estimated Cost	Estimated Jobs	Source of Matching Funds	Project Type
FA-5	Commercial Kitchen	Food processing and packaging facility to develop value-added products.	\$1.5 million	10-20	U.S.D.A. State of Hawai`i	Public Works
FA-6	Kaua`i Fresh Public Market	Centrally located, permanent facility to showcase the fresh produce, value-added products, and prepared meals from Kaua`i.	\$1.3 million	10-20	Kauai Foodbank Foundations U.S.D.A.	Public Works
FA-7	Produce a local farm/crop directory	Directories will be distributed to buyers, restaurants, and retailers to improve communications about products grown locally.	\$30,000	2-5	State of Hawai`i	Technical Assistance

2. Health & Wellness

Reference	Project	Summary	Estimated Cost	Estimated Jobs	Source of Matching Funds	Project Type
HW-1	Form Health & Wellness cluster working group	Convene a working group to develop a data base, improve communications, develop business plan, and implement priority projects.	\$50,000 – \$100,000	5-20	State of Hawai`i Foundations	Technical Assistance
HW-2	Health & Wellness Center	Integrate traditional and non-traditional healing in one center.	\$4 million	20-30	Private Foundation Government	Public Works
HW-3	Scholarships for medical training	Offer scholarships to individuals who pursue training in medical professions that are in demand.	To be determined	To be determined	To be determined	Not applicable
HW-4	New and expanded programs to attract students to the health care professions	Programs may include a summer health academy, academy for future nurses, and other nontraditional course structures for those who work while pursuing education.	To be determined	To be determined	To be determined	Not applicable

3. Sports & Recreation

Reference	Project	Summary	Estimated Cost	Estimated Jobs	Source of Matching Funds	Project Type
SR-1	Complete Haena State Park Master Plan and implement improvements	Improve rest rooms, parking, access, signage, and other amenities at Haena State Beach Park.	\$1.1 – 1.5 million	2		Not applicable
SR-2	Implement Koke`e State Park Master Plan	Improve rest rooms, parking, access, signage, and other amenities at Koke`e State Park.	To be determined			
SR-3	Form Sports & Recreation cluster working group	Convene a working group to develop a data base, improve communications, develop business plan, and implement priority projects.	\$50,000 – \$100,000	5-20	State of Hawai`i Foundations	Technical Assistance
SR-4	Develop Wailua Reservoir Education Center	Project includes developing fishing and camping areas, native plant reforestation project, and environmental education center.	To be determined			

4. Arts & Culture

Reference	Project	Summary	Estimated Cost	Estimated Jobs	Source of Matching Funds	Project Type
AC-1	Form Arts & Culutre cluster working group	Convene a working group to develop a data base, improve communications, develop business plan, and implement priority projects.	\$50,000 – \$100,000	5-20	State of Hawai`i Foundations	Technical Assistance
AC-2	Provide marketing assistance	Assist arts and culture enterprises market to overseas visitors and customers.	\$60,000	5-10	State of Hawai`i	Technical Assistance
AC-3	Provide technical assistance	Assist nonprofit arts and culture enterprises technical assistance to increase organizational capacity.	\$60,000	5-10	State of Hawai`i Foundations	Technical Assistance
AC-4	Kaua`i Center for the Arts, Education and Technology	Develop a multi-purpose, community-centered facility that will provide office space for local nonprofit organizations, meeting space and catering facilities, cultural performing arts center, and television production studio.	\$6.3 million	20-50	Private Foundation	Public Works

5. High Technology

Reference	Project	Summary	Estimated Cost	Estimated Jobs	Source of Matching Funds	Project Type
HT-1	Form High Technology cluster working group	Convene a working group to develop a data base, improve communications, develop business plan, and implement priority projects.	\$50,000 – \$100,000	5-20	State of Hawai`i Foundations	Technical Assistance
HT-2	Strengthen grades K-12 and KCC math and science curricula	Develop business-education partnerships to recruit instructors, develop curricula, and provide training to teachers.	\$40,000-60,000	5-10	Private State of Hawai`i Kaua`i Community College	Technical Assistance
HT-3	Poipu Ocean Science Center	Develop a facility that will be a source of information and research of marine science technology and enable visitors and residents to learn, understand, and “experience” the importance of preserving Kaua`i’s ocean and marine resources	\$1.5 million	5-10	Private Foundation State of Hawai`i Federal-HUD	Public Works

6. Renewable Energy

Reference	Project	Summary	Estimated Cost	Estimated Jobs	Source of Matching Funds	Project Type
RE-1	Form Renewable Energy cluster working group	Convene a working group to develop a data base, improve communications, develop business plan, and implement priority projects.	\$50,000 – \$100,000	5-20	State of Hawai`i Foundations	Technical Assistance
RE-2	Renewable energy analysis and market study	Conduct study of past efforts on Kaua`i, best practices, and future market opportunities	\$60,000	1-5	State of Hawai`i Federal funding	Technical Assistance
RE-3	Office and staff to support renewable energy demonstrations	Staff is needed to identify/select demonstration projects, assist in proposal development, assist in project siting, advocate policies, collect information, evaluate, and disseminate results	\$100,000-\$150,000	1-2	State of Hawai`i Federal funds Foundations	Technical Assistance
RE-4	Develop renewable energy park	Facility to showcase new renewable energy technologies to demonstrate commercial and residential installation and use.	To be determined	1-5	State of Hawai`i Federal funds Foundations	Public Works
RE-5	Ethanol Demonstration Project (Gay & Robinson)	Facility will demonstrate and refine technology to convert sugarcane waste and other sources of waste biomass to ethanol.	\$1.5 million (equipment)	300 retained 10-20 new	State of Hawai`i – special purpose revenue bond Private	Public Works

Appendix E

Cluster Organization Best Practices

Cluster organization checklist:

- ? Cluster identity and government recognition
- ? Corporate status
- ? Strong business leadership
- ? Active recruitment of members
- ? Clear mission, goals, and plan
- ? Dedicated staff
- ? Interactive Web portal
- ? Dues structure or plan for revenue generation
- ? Frequent professional and social activities

External connection facilitation checklist:

- ? Organize and leverage study tours, trade missions, research networks
- ? Conduct international benchmarking
- ? Formalize inter-cluster networks
- ? Support global searches for innovations
- ? Encourage participation in national and global professional associations

Develop human resources for clusters:

- ? Develop a skilled and specialized labor force
- ? Engage community-based employment intermediaries
- ? Qualify people for cluster employment
- ? Establish cluster skills centers
- ? Support regional skill alliances

Cluster Skill Center Characteristics:

(see North Carolina Community College System)

- ? Cluster-based, not technology based
- ? Emphasizes industry-specific knowledge
- ? Provides crucial links to industry associations
- ? Uses business, not equipment, as context
- ? Functions as information repository and information portal
- ? Stresses staff and curricula in budget, not bricks and mortar

- ? Shares curricula and information statewide & trains faculty from other places
- ? Has lead responsibility for cluster needs assessments
- ? Works with cluster association on skill standards and certifications
- ? Provides outreach to socially excluded populations

Qualifying people for employment:

- ? Create career paths and ladders
- ? Use cluster context for adult basic education & English-as-a-second-language programs
- ? Establish short modules that reward accomplishment and can be aggregated
- ? Work with workforce investment boards

Source: A Governor's Guide to Cluster-Based Economic Development, National Governors Association, Washington, D.C., 2002. Accessed at www.nga.org on March 15, 2004.